

# Fiscal Note

*Fiscal Services Division*



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**SF 450** – Human Trafficking (LSB1078SV)

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Fiscal Note Version – New

Requested by Senator Steve Sodders

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## **Description**

**Senate File 450** requires the Iowa Law Enforcement Academy (**ILEA**) to promulgate rules that set requirements related to in-service training for law enforcement agencies for domestic assault, sexual assault, human trafficking, stalking, and harassment. The Bill requires the Criminal and Juvenile Justice Planning Division (**CJJPD**) of the Department of Human Rights (**DHR**) to collect and maintain criminal history data on incidents related to human trafficking, and file an annual report with the General Assembly regarding the data. **Senate File 450** enhances the penalty for a felony human trafficking conviction to a forcible felony. The Bill requires the Crime Victim Assistance Division (**CVAD**) of the **Department of Justice** to cooperate with other governmental and nonprofit agencies to develop and conduct outreach, public awareness, and training programs related to human trafficking for certain populations, including but not limited to the general public, law enforcement agencies, and potential victims. **Senate File 450** authorizes up to \$300,000 annually from the **Victim Compensation Fund** to be used for certain training requirements. Current law authorizes up to \$100,000 annually for certain training requirements.

## **Background**

### **Correctional and Fiscal Information**

- The ILEA currently sets standards for in-service training for local law enforcement agencies. The Bill requires four hours of in-service training every five years for domestic assault, sexual assault, human trafficking, stalking, and harassment. These five topics are currently covered in the Basic Academy (new recruits), but there is no requirement for this training in the in-service rules (continuing education for currently employed law enforcement personnel).
- The CJJPD estimates the collection and maintenance of incidents related to human trafficking, plus creating and filing a report with the General Assembly will require approximately 50.0% of one FTE position for three months.
- Iowa Code chapter **710A**, Human Trafficking, was first created in 2006. Since that time, there has been one conviction for the offense of human trafficking. Per the Justice Data Warehouse (**JDW**), it was a Class B felony conviction under Iowa Code section **710A.2(2)** in FY 2011. There was one charge and no conviction for the offense of human trafficking in FY 2014.
- A forcible felony conviction means the offender must be sent to State prison. See the **Legislative Guide, Criminal Law Overview**, published by the Legislative Services Agency (LSA) in November 2014 for information regarding Iowa's sentencing structure.
- Receipts to the Victim Compensation Fund include a portion of the criminal surcharge, restitution, certain inmate wages, federal funds, and a portion of the Operating While Intoxicated (OWI) fines. Receipts to the Fund are expected to be relatively stable over the next two fiscal years.

- The Fund pays certain out-of-pocket expenses of crime victims and their families, as defined in Iowa Code chapter [915](#). The Fund also covers expenses related to:
  - Administrative costs of the CVAD. See the *Fiscal Topic, [Crime Victim Assistance Division](#)* published by the LSA in August 2013 for an overview of the Division.
  - Sexual Abuse Examination Program.
  - Services and support to victims of domestic abuse and sexual assault.
  - Victim and witness coordinators.
  - Training for victim service providers, currently limited to no more than \$100,000 annually.
- Moneys must be held in reserve so the Victim Compensation Fund remains financially sound. A financial reserve permits sufficient cash flow for payment of claims and operations in the event of delayed federal reimbursement or a catastrophic event. The ending balance in FY 2014 was approximately \$3.5 million. Listed below are the estimated ending balances for FY 2015 to FY 2017:
  - FY 2015 - \$4.0 million
  - FY 2016 - \$4.7 million
  - FY 2017 - \$5.5 million
- Federal law permits up to 60.0% of certain costs to be reimbursed by the federal Victims of Crime Act ([VOCA](#)) Fund. However, the federal payment is not received until the following fiscal year, so the Victim Compensation Fund must be able to cash flow the expenses. Additionally, federal reimbursement rates are dependent on several factors including the amount of money available in the federal VOCA Fund, and the amount of claims pending at the federal level.
- The Victim Compensation Fund's cash balance was approximately \$4.4 million on March 13, 2014. See the *Fiscal Topic, [Budget Unit: Victim Compensation Fund](#)* published by the LSA in August 2013 for a brief explanation of the sources and uses of the Fund.

### **Minority Data Information**

There have been no convictions for the offense of human trafficking since FY 2011. The offender was Black. See the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 30, 2015, for information related to minorities in the criminal justice system.

### **Assumptions**

#### **Correctional and Fiscal Information**

- The fiscal impact to the ILEA is expected to be minimal. The costs may be covered under federal funds provided by the CVAD or the General Fund appropriation to the ILEA.
- The fiscal impact to the CJJPD is estimated to be no more than \$12,000 annually.
- Charge, conviction, and sentencing patterns and trends will not change over the projection period.
- Current law limits training to \$100,000 annually for victim service providers only. The new Iowa Code section 710A.6 in [SF 450](#) includes additional training requirements that will increase demand for training resources.
- The increased spending authorization for training from the Victim Compensation Fund will not exceed the financial capacity of the Fund.

**Minority Data Information:** The impact on minorities will be consistent with current data.

### **Summary of Impacts**

**Correctional Impact:** The correctional impact is expected to be minimal under this Bill. Convictions for human trafficking are rare.

**Minority Impact:** The impact on minorities for enhancing the criminal penalty to a forcible felony for human trafficking is expected to be minimal. Convictions are rare.

**Fiscal Impact**

The fiscal impact to the State General Fund is expected to be minimal.

Increasing the amount authorized for training is expected to increase expenditures from the Victim Compensation Fund by \$200,000 annually. It is expected [SF 450](#) will draw down the projected ending balance by \$200,000 annually in FY 2016 and FY 2017.

**Sources**

Iowa Law Enforcement Academy  
Department of Human Rights, Criminal and Juvenile Justice Planning Division  
Office of the Attorney General  
State Financial System – I/3

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/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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